

Exhibit 123

Mid-year update

June 8, 2016



2016 Mid-year Agenda

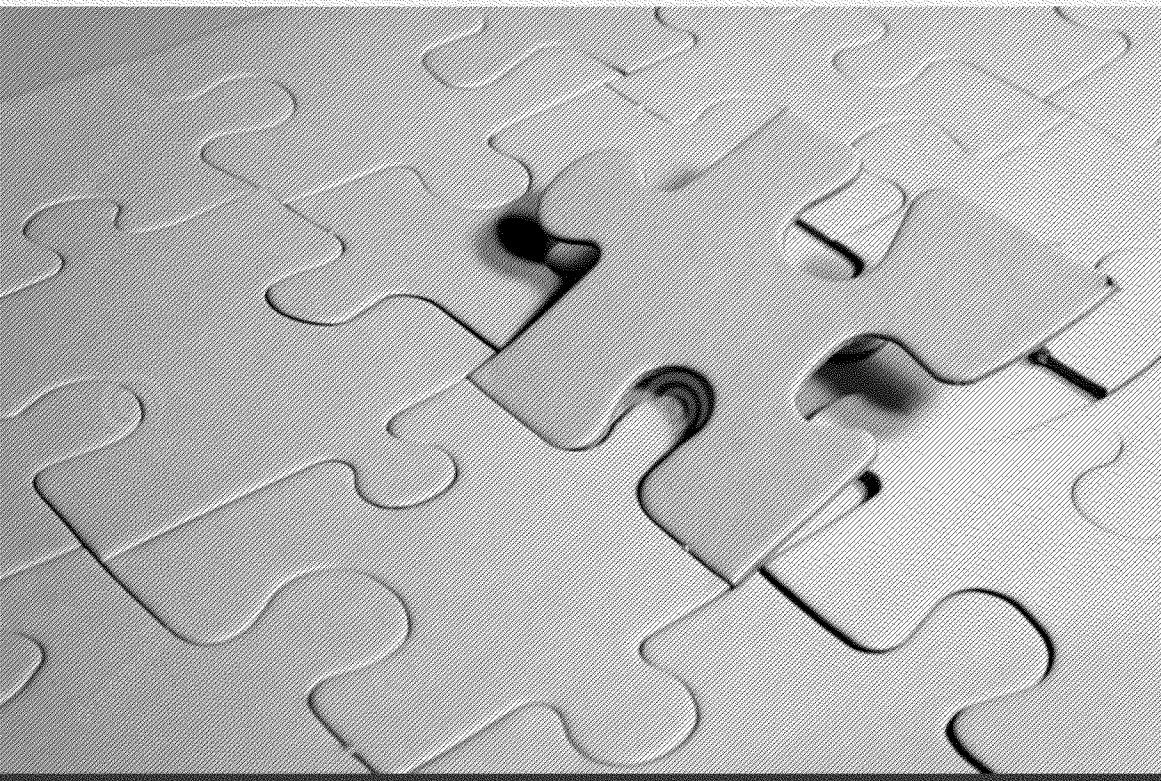
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June 8, 2016

▪ Strategic overview	Mark Timney	25 minutes
▪ Evolving US Environment	Raul Damas	20 minutes
▪ US Pain Portfolio Strategy	Saeed Motahari	45 minutes
▪ Medical Strategy	Gail Cawkwell	10 minutes
▪ OTC Strategy	Saeed Motahari	15 minutes
▪ BD priorities	Alan Butcher	10 minutes
▪ R&D Vision & Pipeline	Alan Dunton	30 minutes
▪ Financial outlook	JJ Charhon	25 minutes



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Strategic Overview

Mark Timney

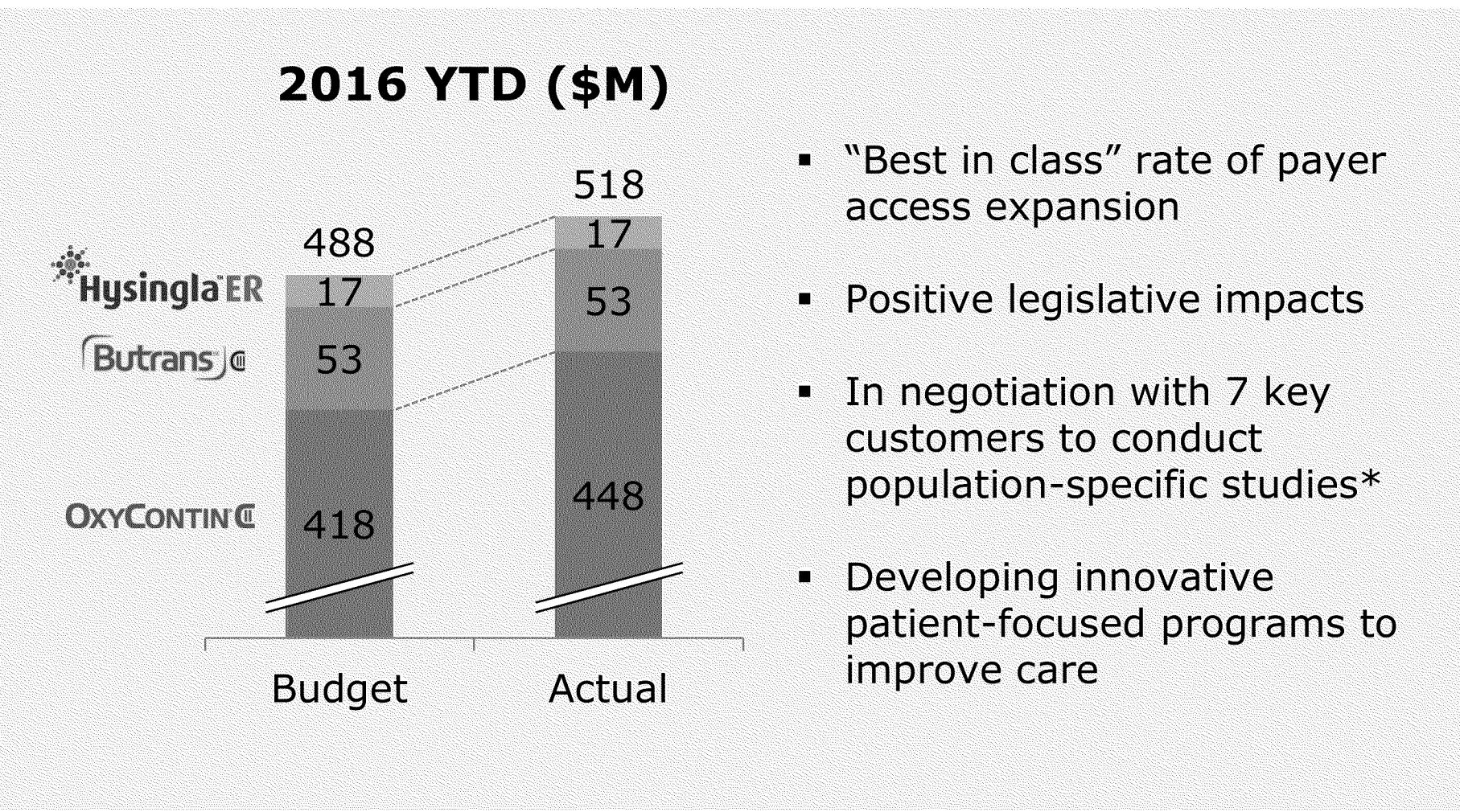
June 8, 2016

Executive Summary

- Compared to the November 2015 forecast, we see **favorability in 2016-17**, but significant **2018-20 revenue pressures** and greater **portfolio dependence on OxyContin**
 - We have executed well in Q1 2016, and expect top- and bottom-line favorability in 2016
 - Some near-/mid-term upside is additionally driven by a favorable CMS ruling; delays in ERO competitor launches; and delays in OxyContin Authorized Generic entry
 - However, US opioid marketplace pressures have worsened since November 2015, increasing the rate of TRx decline and adding business uncertainty
 - Our mid-term portfolio outlook and diversification have been weakened by the unfavorable Butrans patent ruling and the discontinuation of our HCA and MSR development programs
- We have adjusted our investment strategy to meet our **differentiated challenges on different time horizons**
 - For the near-term, we are renewing BD efforts on commercial “value plays” in pain and adjacent spaces to immediately diversify our portfolio while leveraging our strengths
 - For the mid-term, we plan to adjust our level of commercial support to reflect our portfolio after Butrans LoE and protect our bottom line
 - For the long-term, we continue to pursue integrated BD and R&D investments to diversify our portfolio in pain and multiple other categories with a range of risk profiles
- As a result of this strategy, **our cost structure will become progressively leaner** in the 2016-2020 period, while **protecting our R&D investments for future profitable growth**

Redacted

YTD results demonstrate that we can execute effectively



We are seeing return from our capability building in 2015

* Medical only

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Near term favorability; after 2017, revenue pressure and increasing portfolio concentration

	Timing of impact	Impact on 2016-2020 vs Prior Plan (\$M)
Near-term upside		
+ CMS Line Extension ruling	2016	274
+ No Butrans settlement	2016-2017	41
OxyContin favorability		
+ Slower share/mix decline*	2016-2020	321
+ AG entry delays	2016-2020	161
Mid-term adversity		
- Butrans PTE ruling	2016-2020	(401)
- ADF pipeline discontinuations	2018-2020	(169)
- CDC guidelines	2016-2020	(115)

* Favorability in share (\$143M; largely driven by slower branded competitor launch) and mix / tablets per Rx (\$342M), offset by impact of worsening ERO market TRx decline (\$164M)



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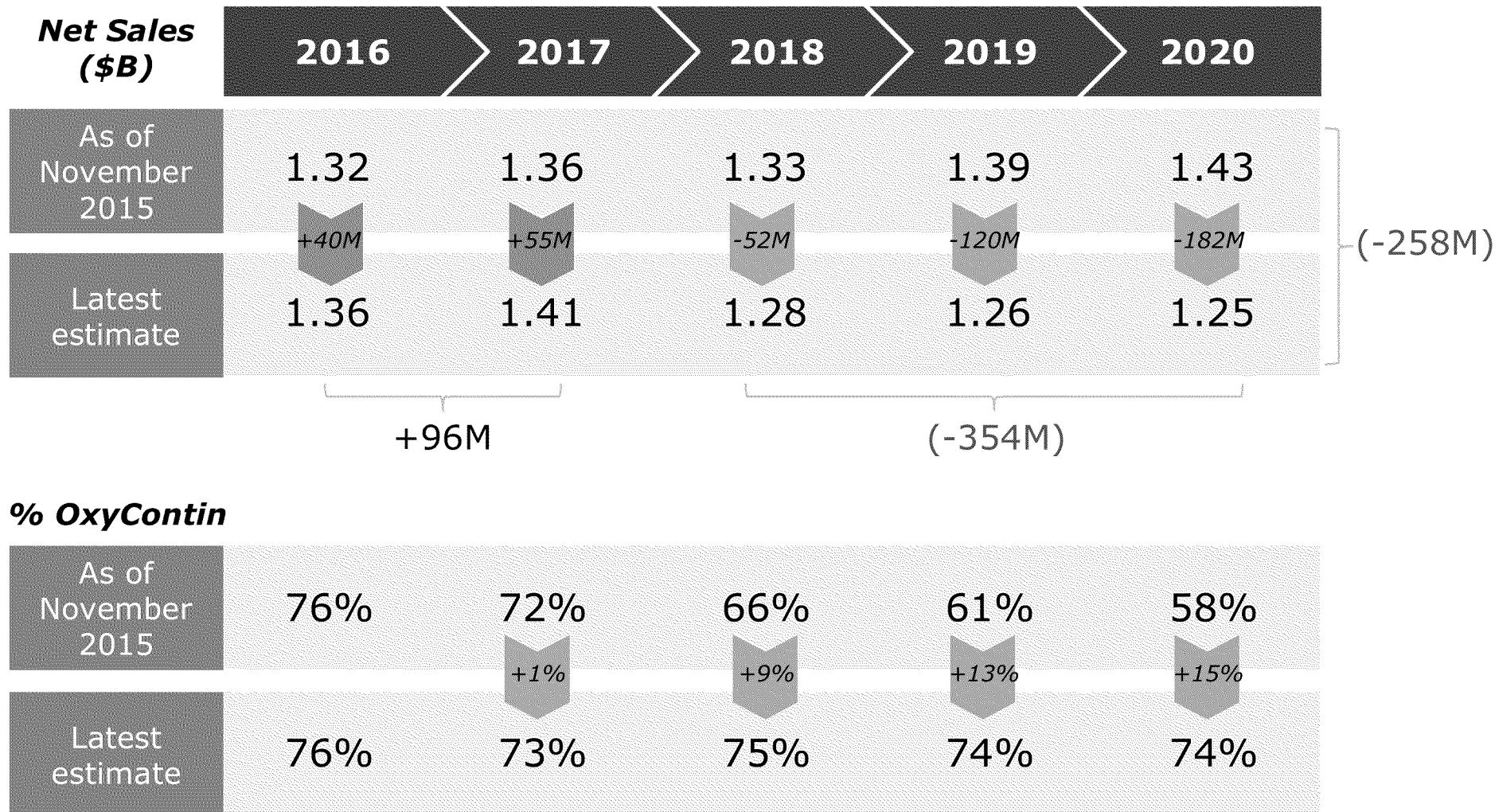
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Favorability in 2016-17, but significant 2018-20 revenue pressures and greater portfolio dependence on OxyContin



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Near-term

- The right brand strategies for our in-line portfolio
- S&P optimization
- Continuing to evaluate late-stage and on-market assets, seeking “value plays” and portfolio breadth

Mid-term

- Evolving the commercial model to diversify revenues
- Opioid investments focused on transformative innovation
 - E.g., buprenorphine combinations
 - Regular landscape scan for new technology

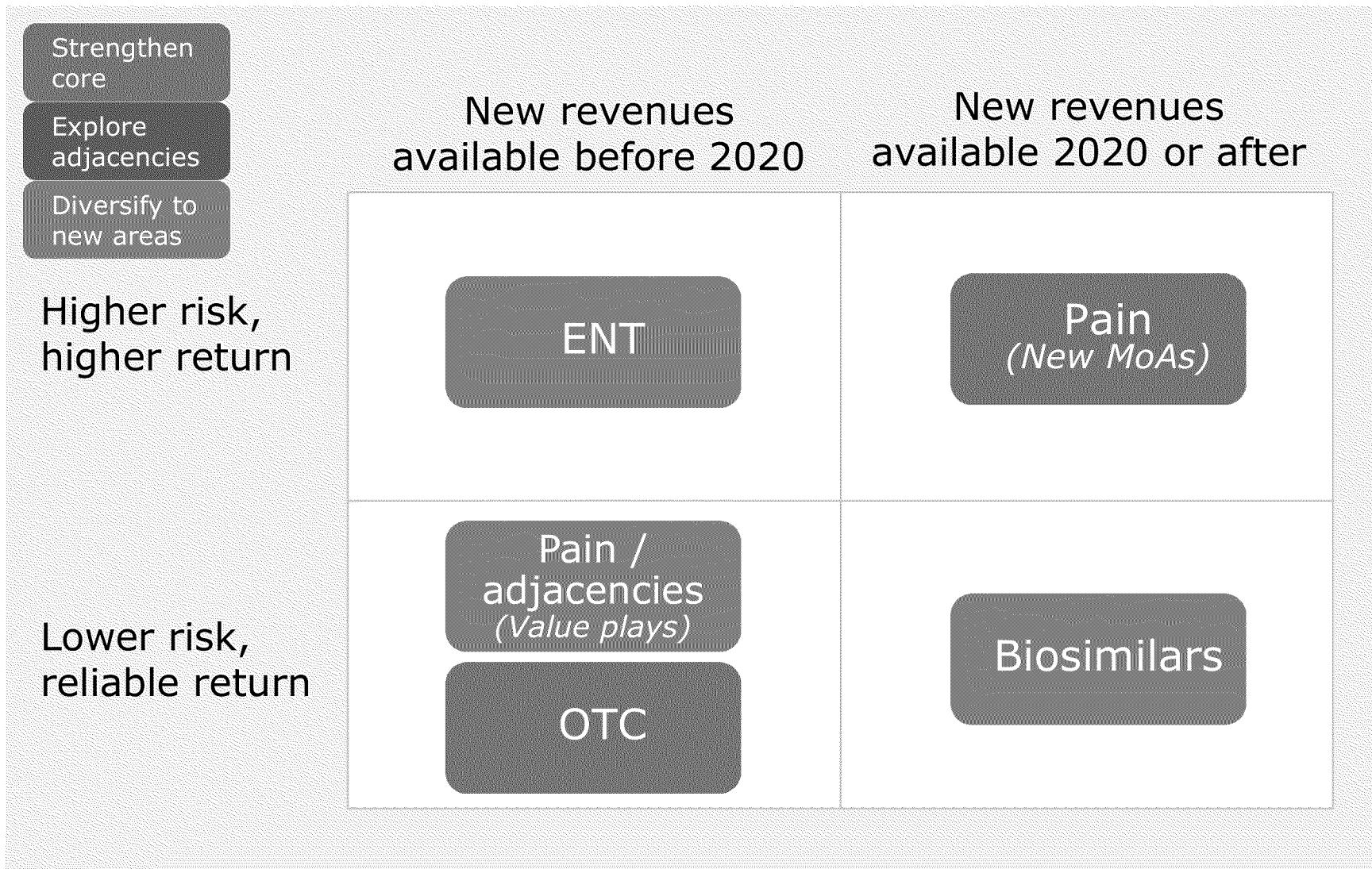
Long-term

- Judicious R&D investment in new mechanisms of action
 - Select targets
 - Select indications

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In the long term, we aim for a balanced portfolio

Seeking revenues across multiple categories with a range of risk profiles



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We are aggressively pursuing multiple BD opportunities
We continue to plan for \$2-2.5B investment over the next 5 years

**Approvals
requested
this week**

Redacted

Strengthen core

Strengthen our core in pain with assets that **add depth and breadth** to our portfolio

Explore adjacencies

Acquire opportunities in **high need areas adjacent to pain** and add value with current capabilities

Diversify to new areas

Diversify into therapeutic areas outside of pain by strategically entering attractive markets

Internal projects

- BOX
- TrkA
- Buprenorphine 2nd gen
- Nav 1.7
- TRPV1
- Sigma-1



- Lemborexant

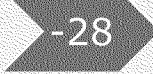


- OAG



Our cost structure will grow progressively leaner

Aggressively managing expenses while protecting R&D investments for future profitable growth

	2016*	2016**	2018	2020	CAGR
	Budget	Latest estimate	Forecast	Forecast	16LE-20
Net sales	1,317 	1,357 	1,276 	1,248	-2.1%
Operating Expenses	(701) (53%) 	(694) (51%) 	(674) (53%) 	(554) (44%)	-5.5%
Operating income	410 31% 	454 33% 	388 30% 	492 39%	+2.0%

* As approved Nov 30, 2015

** Excludes one-time reversal of 2015 and prior-year accruals for CMS Line Extension (\$274M)

2016 Mid-year Agenda

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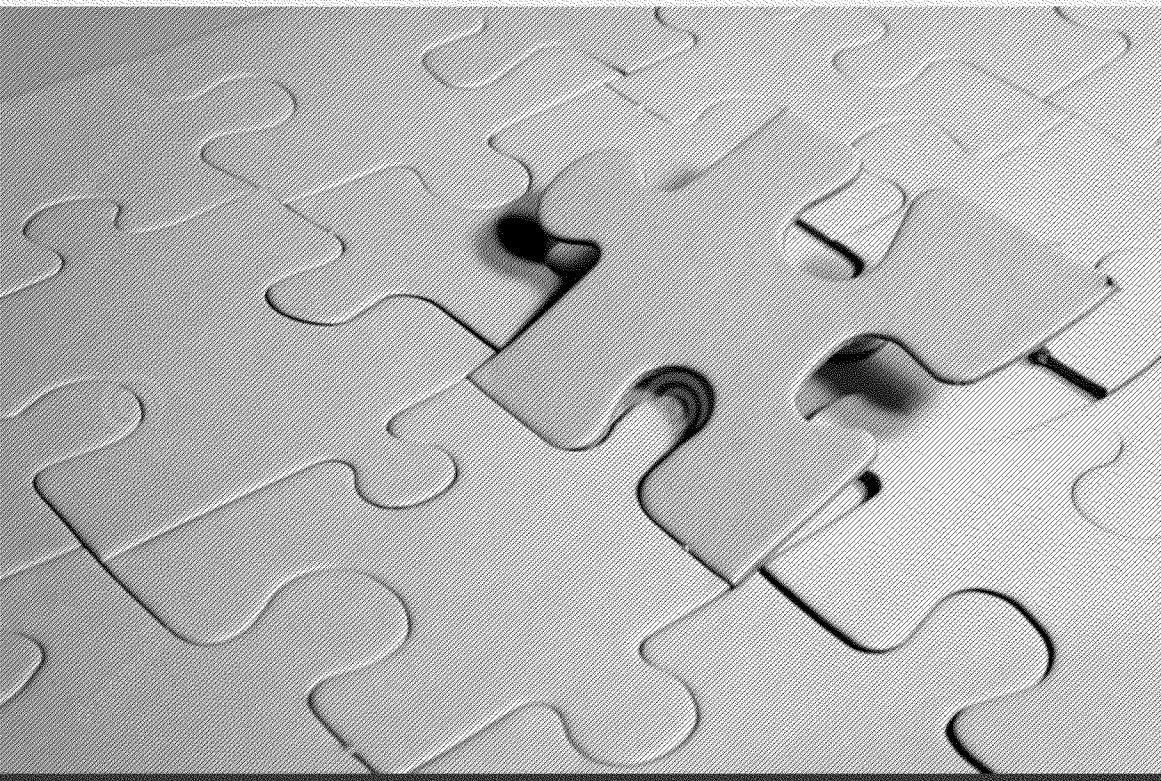
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The External Environment

Raul Damas

June 8, 2016

Key Takeaways

- We're in the midst of a **national discussion about opioids**, with critical implications for Purdue.
- While treating chronic pain remains important to people, concerns about **abuse and addiction** are driving the public debate.
- Legislators and regulators are scrambling to respond, with a variety of responses geared toward **reducing opioid prescribing**.
- Companies with **abuse-deterrant technology** and other impactful initiatives will lead in the emerging landscape.
- Purdue is implementing new efforts to demonstrate **credible leadership** and exploring further steps.

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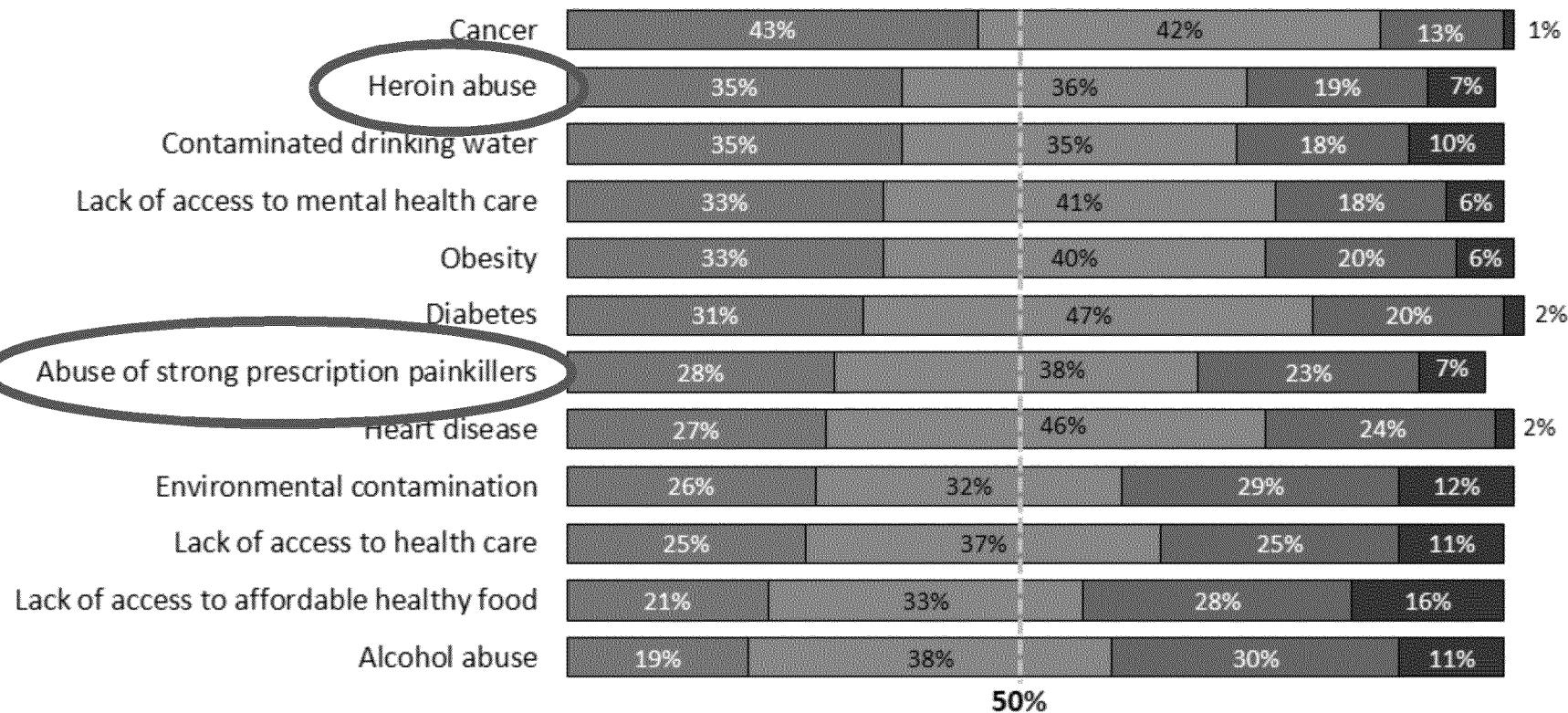
Critical Shifts in The National Discussion about Pain And Opioids

From	To
Undertreatment of Pain	Opioid Epidemic
Abuse	Addiction
Criminal	Victim
FDA	CDC
Benefits Outweigh Risks	Lack of Long-Term Evidence
ADFs as Part of Solution	ADF Value Unproven

Heroin & Prescription Opioid Abuse Top Americans' Health Concerns

For each health issue I name, please tell me how serious a problem you think it is in this country – extremely serious, very serious, somewhat serious, or less serious than that.

■ Extremely serious ■ Very serious ■ Somewhat serious ■ Less serious than that



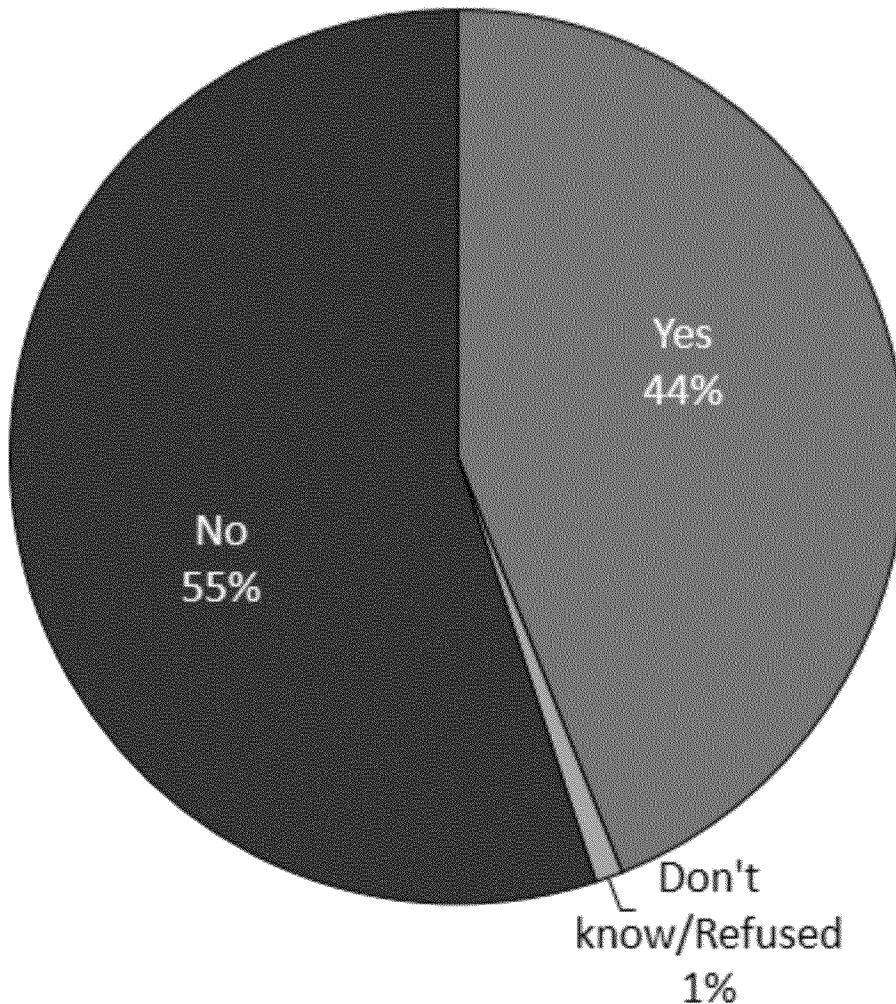
NOTE: Some items asked of half samples. Don't know/Refused responses not shown. Question wording abbreviated. See topline for full question wording.

SOURCE: Kaiser Family Foundation Health Tracking Poll (conducted April 12-19, 2016)

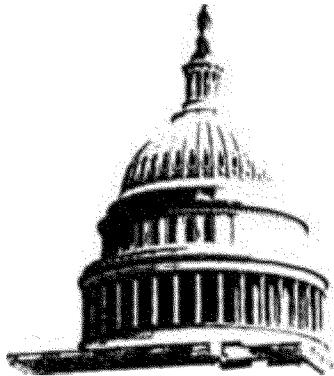


Nearly Half of Americans Say They Know Someone Who's
 Been Addicted to Prescription Opioids

Do you personally know anyone who has ever been
addicted to prescription painkillers, or not?



Lawmakers Are Curbing Opioid Prescriptions, But Also Supporting Access to Opioids with Abuse-Deterrent Technology



- CARA Passed in Senate
- 18 Bills Passed in House
- \$1.1B White House Request
- CMS Line Extension Ruling
- White House ADF Statement
- Rep. Rogers Scolds Insurers

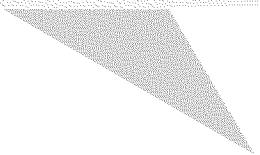


- MA, CT, VT, ME Limit Opioids
- CT Considered Tax on CIs
- Takeback Bills Proliferating
- 7 States Passed OADP Law
- Passed 3 State Chambers
- 21 States Considering Law

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The FDA Is Calling for Greater Opioid Manufacturer Responsibility

Companies profiting from sales of opioids need to step beyond the requirements from FDA and display corporate responsibility to contribute in tangible ways to dealing with the societal consequences of these products.



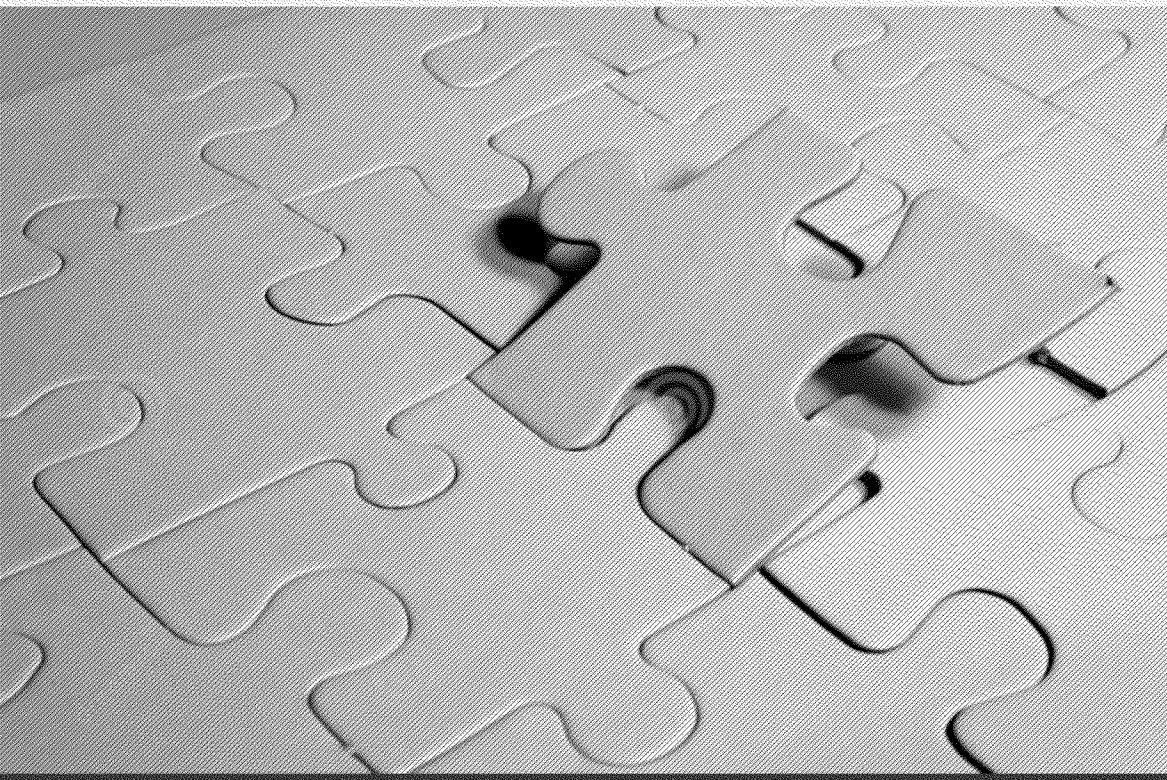
*Speech by Commissioner Robert Califf
Food & Drug Law Institute
May 5, 2015*

Purdue Is Seizing New Opportunities to Serve Our
Customers & Society

- Expanding Law Enforcement Liaison Education
- Launching “Team Against Opioid Abuse”
- Distributing CDC Guidelines to Prescribers
- Funding Naloxone Delivery Kits

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Pain Portfolio Strategy

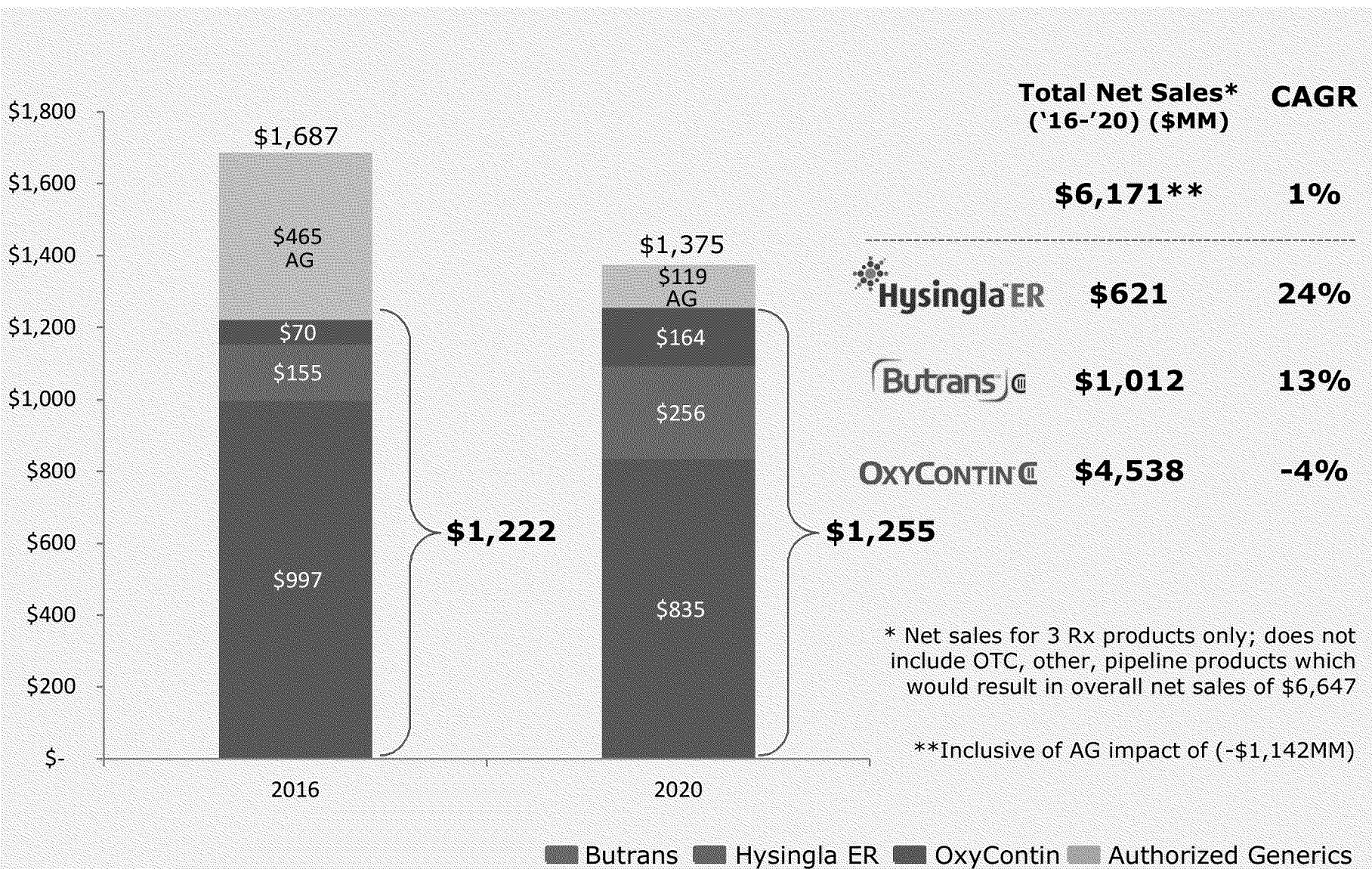
Saeed Motahari

June 8, 2016

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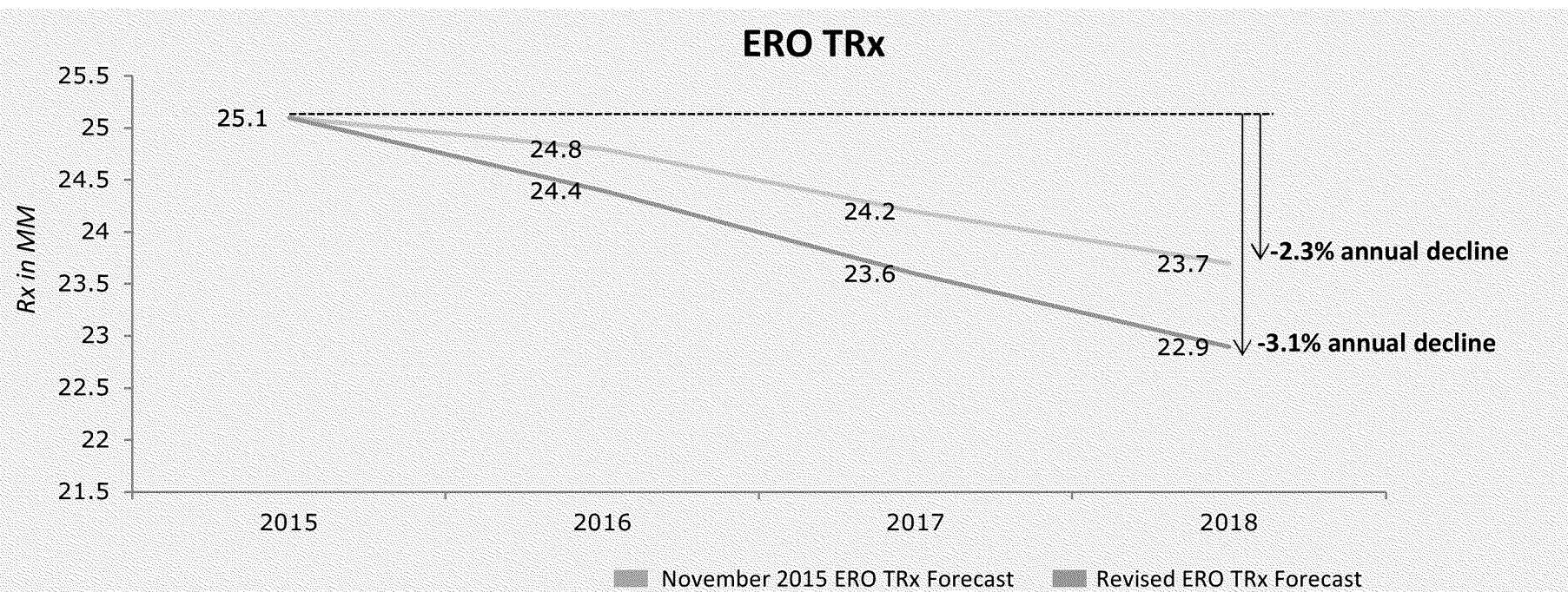
- Since the November 2015 Board presentation, emerging **market and portfolio events** are expected to have significant impact on our in-line pain portfolio:
 - **Acceleration of the ERO market decline and increased competition**
 - **Earlier loss of exclusivity of Butrans** in September 2017 vs September 2022, as previously assumed
- We have been taking **actions to proactively manage external market changes**:
 - **Invest in new channels (Medicaid, LTC, and IDNs)** for niche growth opportunities
 - **Protect OxyContin share** among high decile HCPs
 - **Educate NPs/PAs** as they play an increasing role in pain management
- We will continue to strengthen the portfolio P&L with a balanced investment on **brand priorities**
 - **Butrans:** Maximize brand value by successfully launching the 2nd Gen patch
 - **Hysingla ER:** Drive growth by leveraging expanded formulary access
 - **OxyContin:** Protect business with key customers
- Our revised forecast projects a **net sales decrease of \$97MM from 2016-2020** (versus November Board Presentation)
- However, we've **reduced Rx brand S&P spend by \$193MM** to mitigate the revenue downside

In-Line Pain Portfolio Demand & Net Sales November
 Board Presentation (\$MM)



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However, ERO market is declining at a higher rate (3.1% vs 2.3%) than expected with a potential risk of \$105MM for the portfolio over the next 3 years



Impact to Purdue Portfolio:

Change in OxyContin TRx

-78K

-109K

-137K

Portfolio Financial Impact

(\$26MM)

(\$35MM)

(\$44MM)

CDC Impact on Payers		Impact of New Competition	
Medicare Part D	<ul style="list-style-type: none">H Potential to incorporate guideline in 2017	Product Company)	Status
Medicaid	<ul style="list-style-type: none">H High level restrictions already in place	Belbuca (Endo)	Launched (Feb, 2016)
Federal (VA / DoD)	<ul style="list-style-type: none">H May be required to follow guidelinesMore restrictive contracts	Vantrela ER (Teva)	Filed, anticipated launch 2H 2016
Commercial	<ul style="list-style-type: none">M Commercial plans not required to follow, but more restrictions may be implemented for some	ALO-02 (Pfizer)	Filed, anticipated launch 2H 2016
		Xtampza ER (Collegium)	Approved, anticipated launch June 2016
		Morphabond ER (Inspirion)	Approved, not yet launched
		\$237MM Impact on Portfolio (2016-2018)	

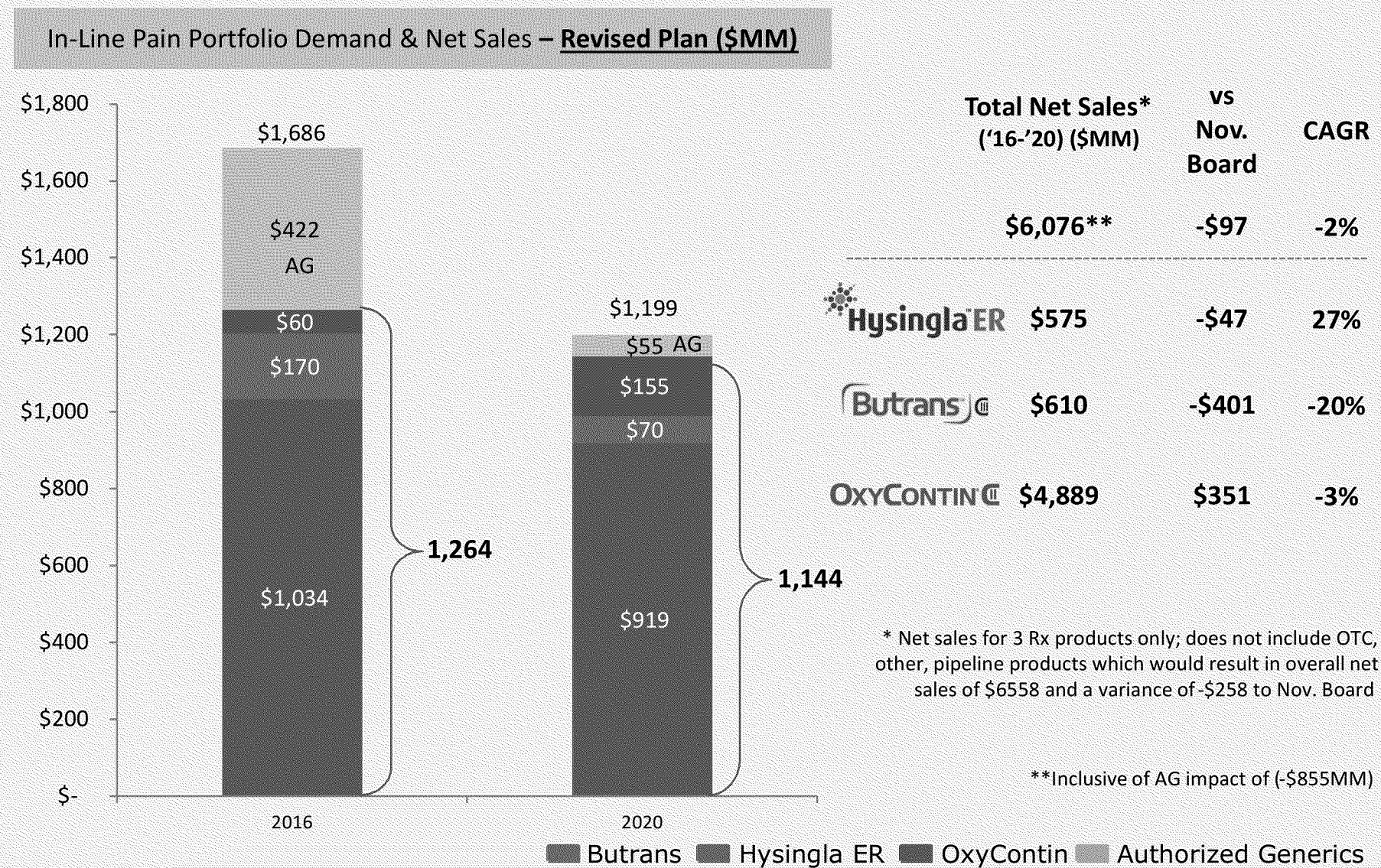
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The earlier loss of exclusivity (LOE) of Butrans due to failure to obtain patent term extension will have a significant impact on Butrans net sales

Reference	Nov Board Presentation	Net Sales (2016-2020) 1.01Bn*
	<ul style="list-style-type: none">▪ 1st Gen LOE: September 2022▪ 2nd Gen Launch: April 2017▪ Generic to 1st Gen : not available before Oct 2022	
<i>Butrans Scenario</i>	<p>★</p> <p>Base (<i>anchor for our revised strategy</i>)</p> <ul style="list-style-type: none">▪ 1st Gen LOE: September 2017▪ 2nd Gen Launch: April 2017<ul style="list-style-type: none">• Petition to withdraw 1st Gen NDA for safety reason• Direct switch at Pharmacy▪ Generic to 1st Gen : April 2018, not AB-rated to 2nd Gen▪ 2nd Gen LOE: Q3 2022	<p>Net Sales Variance vs. Probability</p> <p>Nov Board**</p> <p>>50%</p> <p>-\$401MM (-39.8%)</p>

*Nov Board Presentation included costs -\$111MM from 2016 to 2020 of authorized generics for Butrans 1st Gen **Not risk adjusted

The combined events cause a decrease in net sales by -
 \$97MM to ~\$6.1Bn (vs. Nov. Board) over 5 years



We have already implemented strategies since 2015 to manage the emerging market challenges

Market Event



- ACA shifting more lives under government-run health plans
- Increasing role of NP/PA in pain management

- Institutions (IDNs, ACOs and LTC) are playing a more important role

- More EROs entering the market (e.g., Belbuca, Xtampza ER, Vantrela ER, ALO-02)

Strategy

Educate NPs/PAs

Enhance formulary access to Medicaid, Med D plans

Dedicate account team for LTC, IDNs, ACOs

Contract directly with GPOs

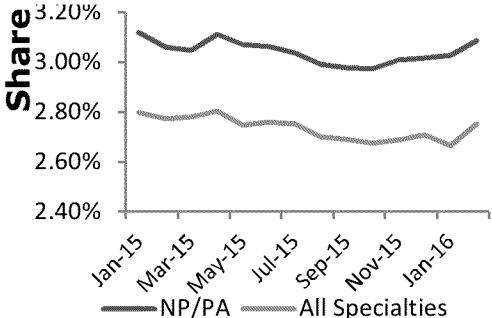
Protect OxyContin share among high decile HCPs

Educate on opioid naïve Butrans data

Outcome

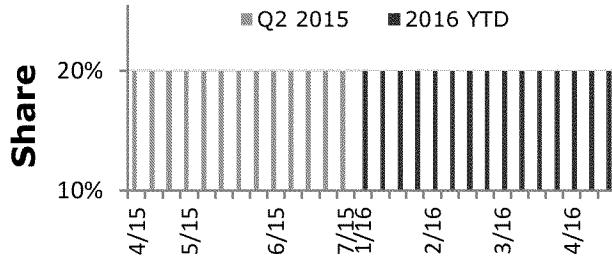
- 23 Medicaid state wins and targets in 2016

Butrans Share with NPs



- 3 LTC GPO contracts \$2MM (YTD ~ \$1MM)
- 2016 incremental sales goal of \$2.5MM via IDN GPO contracts

OER Overall Has Maintained Share



Note: HHS = Dept. of Health & Human Services, ACA = Affordable Care Act, IDN = Integrated Delivery Network, ACO = Accountable Care Organization, LTC = Long Term Care. NP = Nurse Practitioner, PA = Physician Assistant



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The commercial strategies we have put in place are working and we are seeing growth with both Hysingla ER and Butrans

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Sales Force Expansion

- Created dedicated sales force for each growth brand
- Rebalanced territory alignment

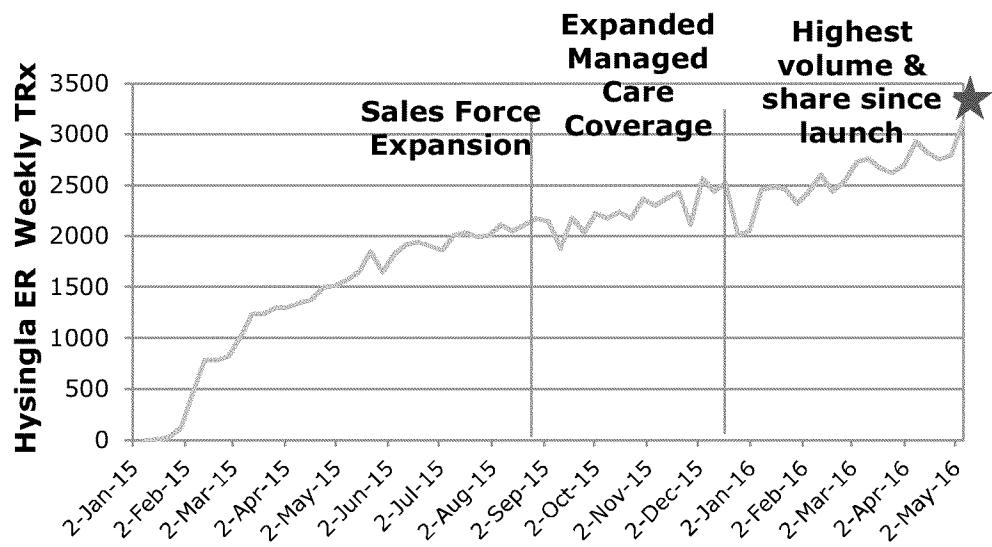
Contracting Strategy

- Improved access for Hysingla ER (additional 40MM lives with coverage)
- Improved access with Butrans (23 Medicaid wins and targets)

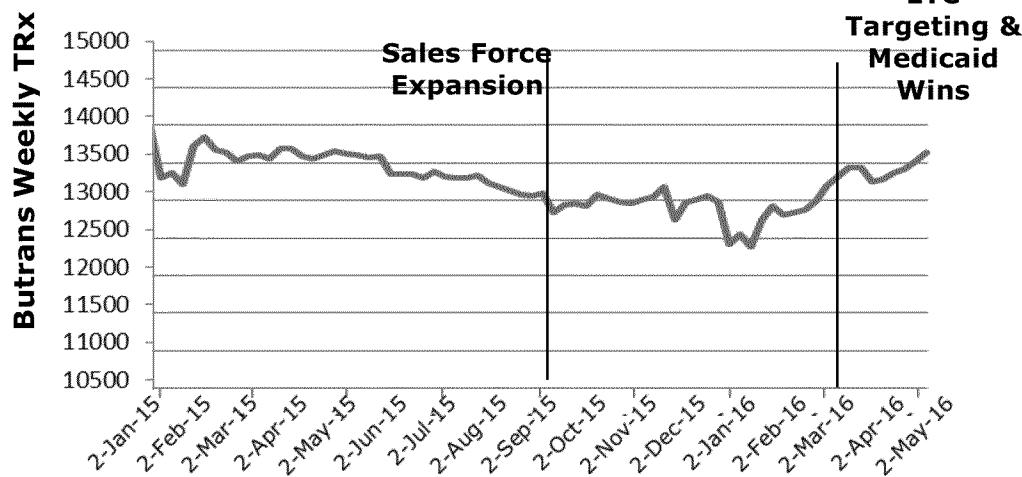
Pursue New Sources of Business

- Drive growth in LTC, IDN and with NP/PAs

Accelerated Hysingla ER Growth



Butrans Return to Growth



We will continue to strengthen the portfolio P&L with a balanced investment on brand priorities



- Successfully launch 2nd Gen patch



- Accelerate growth leveraging expanded access



- Protect share with key customers

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Butrans 2017 brand priorities focus on successfully launching 2nd Gen patch

1

Successfully launch 2nd Gen patch

- Achieve a quick pharmacy switch to 2nd Gen patch
- Support HCP and patient switch to 2nd Gen patch

2

Strengthen brand value & message

- Distill brand value into messages that differentiate and build an emotional connection with HCP for 2nd Gen

3

Drive pull-through and leverage access

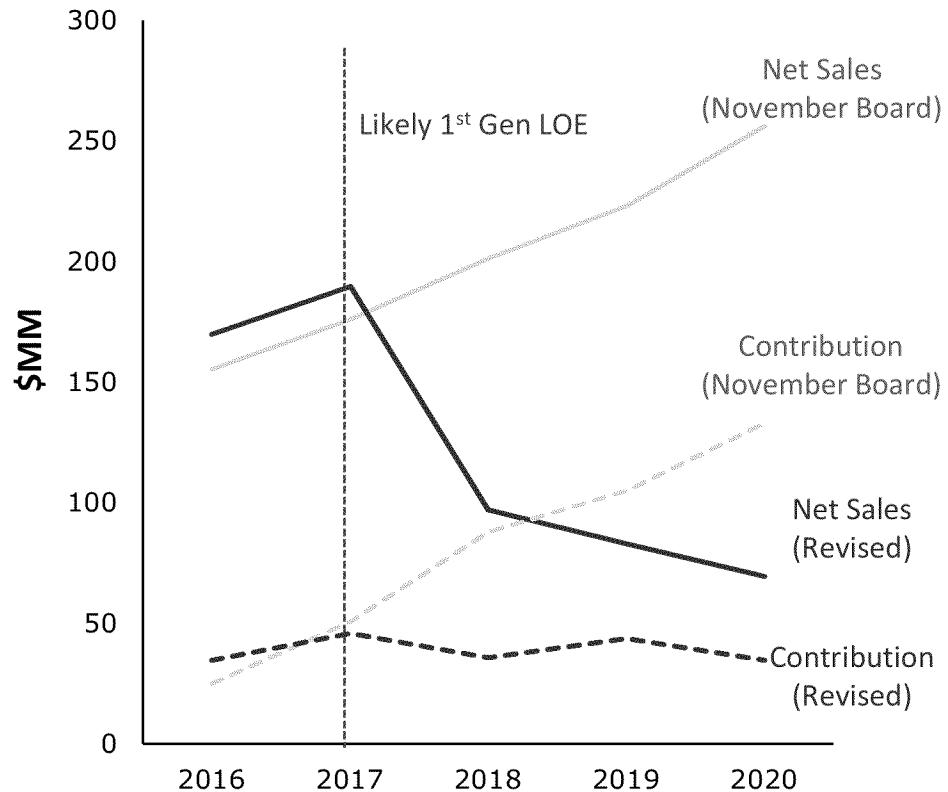
- Continue to drive growth in Medicaid and LTC channels
- Increase business for under-indexed accounts

Focus cross-functional efforts to ensure a successful Butrans 2nd Gen launch

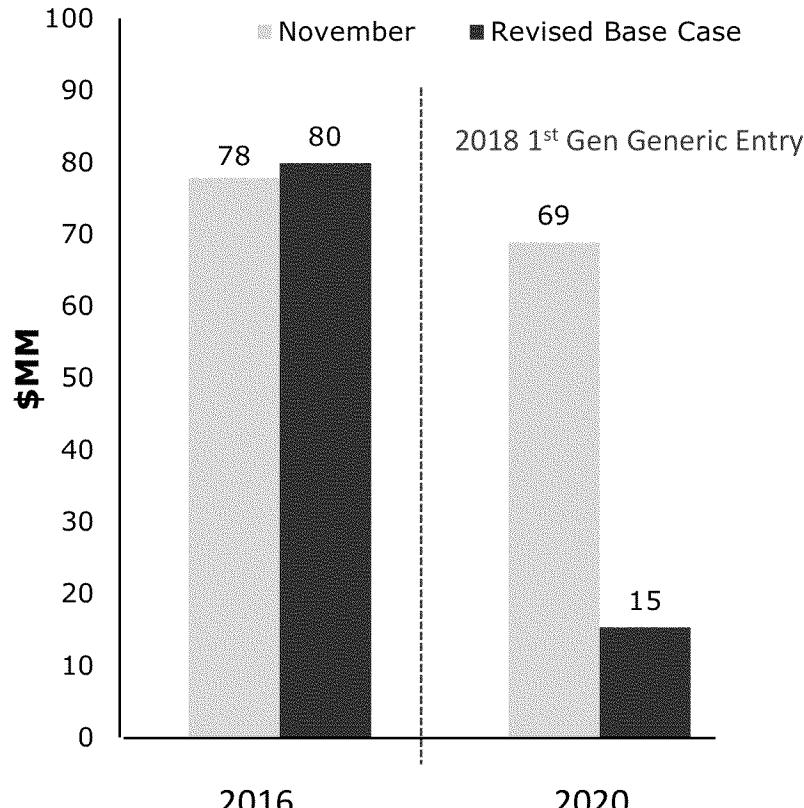
Function	Action/Goal
Regulatory	<ul style="list-style-type: none">Secure approval before March 2017File petition to withdraw 1st Gen for safety upon launch
Supply	<ul style="list-style-type: none">Manufacture 2nd Gen patch at risk to ensure supply within 60 days of approval
Wholesaler/ Pharmacy	<ul style="list-style-type: none">Inform on new NDC numbers upon approvalNegotiate pharmacy auto shipment prior to launch
Managed Care Market	<ul style="list-style-type: none">Create value proposition to payers before launchMaintain formulary coverage for 2nd Gen at the same level as 1st Gen patch
Marketing	<ul style="list-style-type: none">Introduce HCP & Pharmacy resources to support patient transition and educationCreate simple patient education for continuing patientsLeverage 2nd Gen patch to create excitement with sales force and HCP customers
Sales	<ul style="list-style-type: none">Sales training within one month of 2nd Gen approvalCreate new demand with Decile 5-10 HCPs

We will resource appropriately to support Butrans 2nd Gen launch, and adjust S&P after generic entry to maintain contribution at pre-generic level

Butrans Financial Projections



S&P Spend



Revised Promo Spend

\$21 \$8

Revised Sales FTEs

195 20

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Hysingla ER 2017 brand priorities focus on accelerating growth by leveraging the expanded access

1

Increase Prescribing Depth & Breadth

- Accelerate uptake leveraging managed care wins
- Expand business in IR to ER hydrocodone conversion

2

Differentiate From Competition

- Drive differentiation with Q24 dosing, access and ADP
- Explore short-term LCM opportunities (e.g., packaging)

3

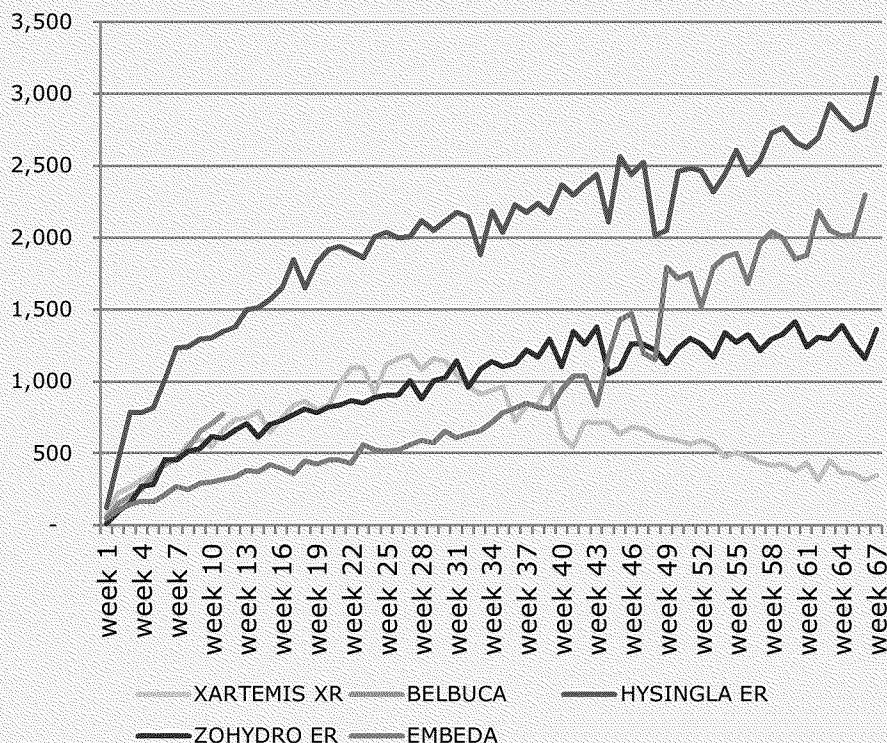
Improve Access and Pull-Through

- Key 2016 wins include ESI, Caremark Commercial and Part D, Optum Med D
- Continue to contract for profitable national and regional access
- Drive effective pull through with available tools and programs

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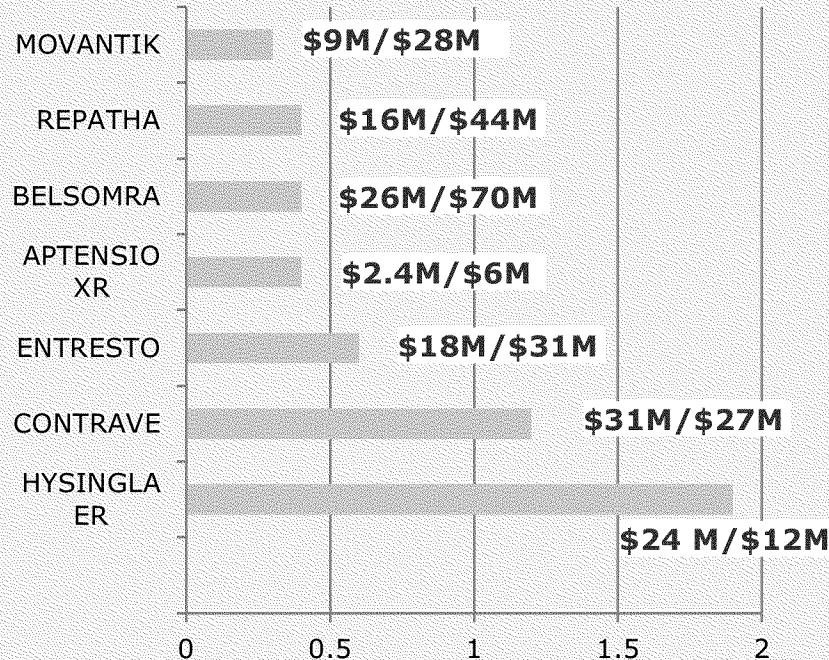
Hysingla ER has outperformed competitive ERO launches and has best ROI of recent launch brands

Competitive ERO Launches



ROI of Recent Launch Brands

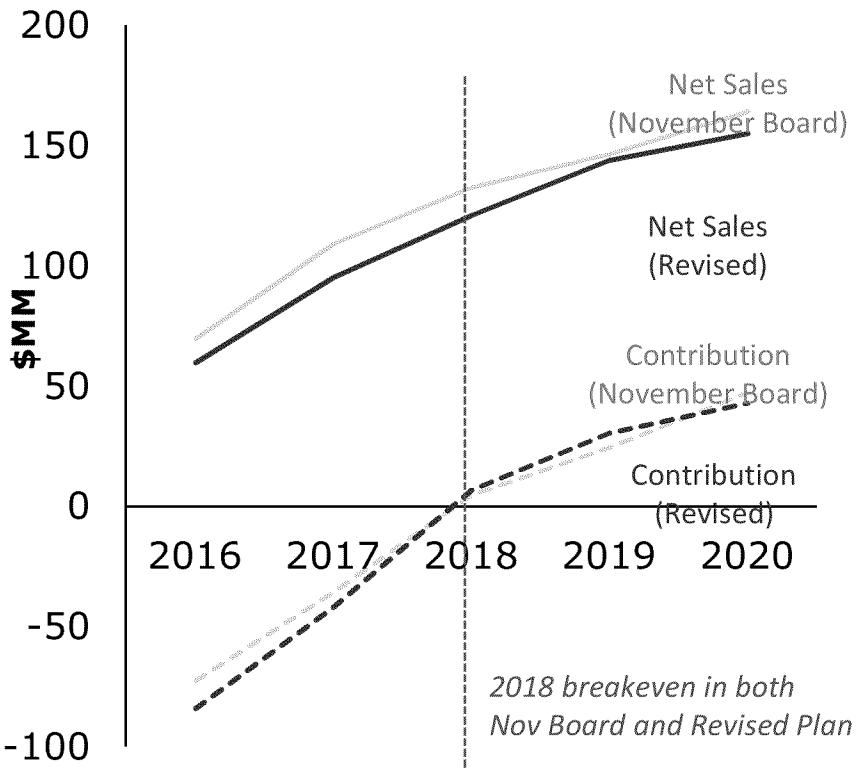
ROI = audited IMS sales dollars / reported promo spend



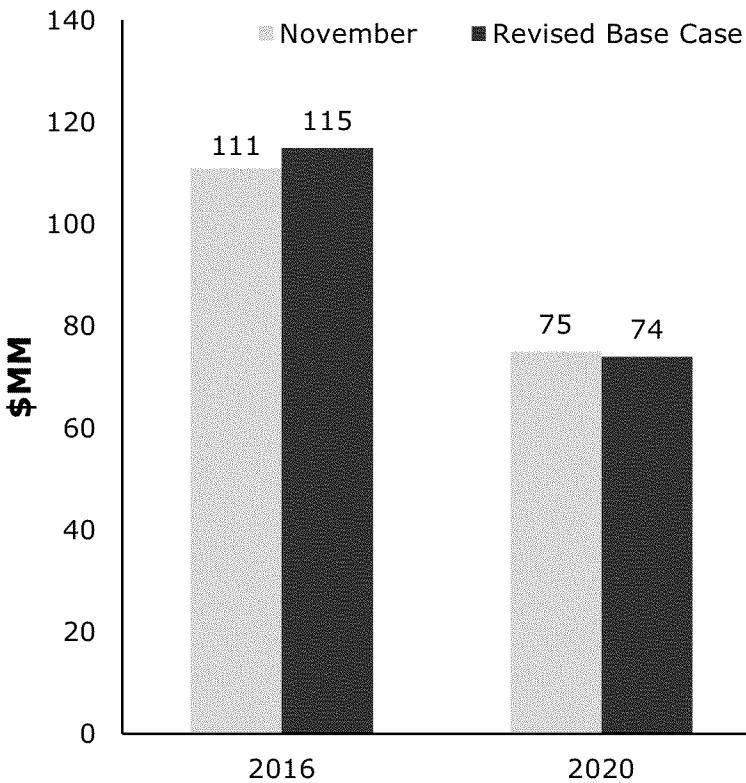
Source: Audited gross IMS sales and promotional spend within first 6 months of launch

We have reduced Hysingla ER S&P spend appropriately in
order to adequately resource to drive continued growth

Hysingla ER Financial Projections



S&P Spend



Revised Promo Spend	\$27	\$16
Revised Sales FTEs	292	160

OxyContin 2017 priorities focus on defending its base
business with high decile HCPs

1

Execute with
high decile HCPs

- Focus resources on high decile HCPs to maintain share
- Expand non-personal tactics

2

Protect from
ER oxycodone
competitors

- Differentiate on brand experience, proven efficacy, ADPs and access
- Highly focused managed care strategy to protect access

3

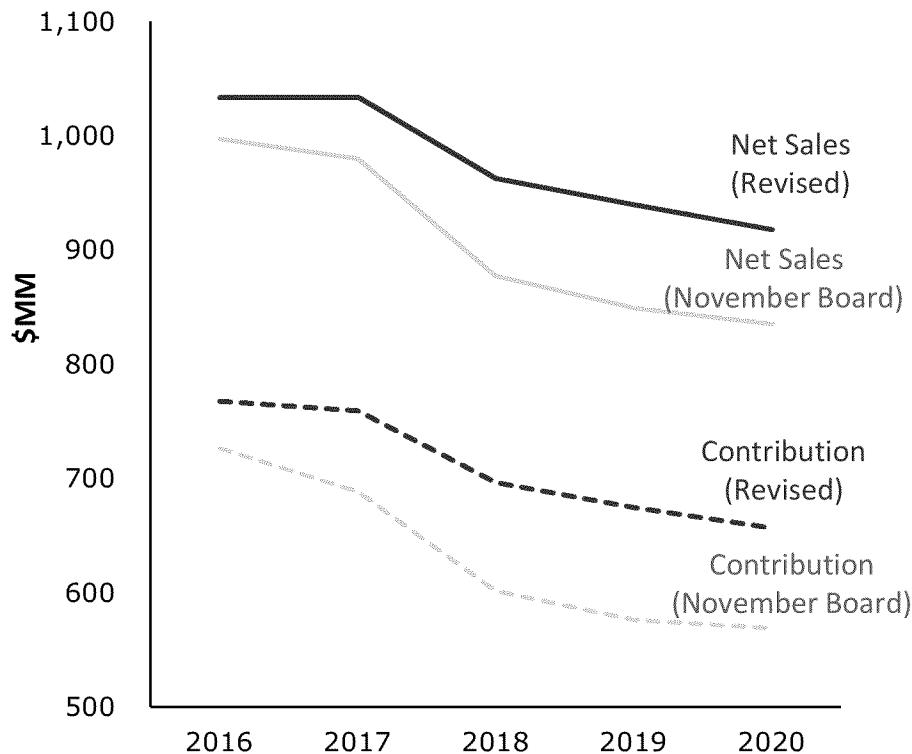
Execute P&L
optimization
opportunities

- Optimize brand investments and create incremental value

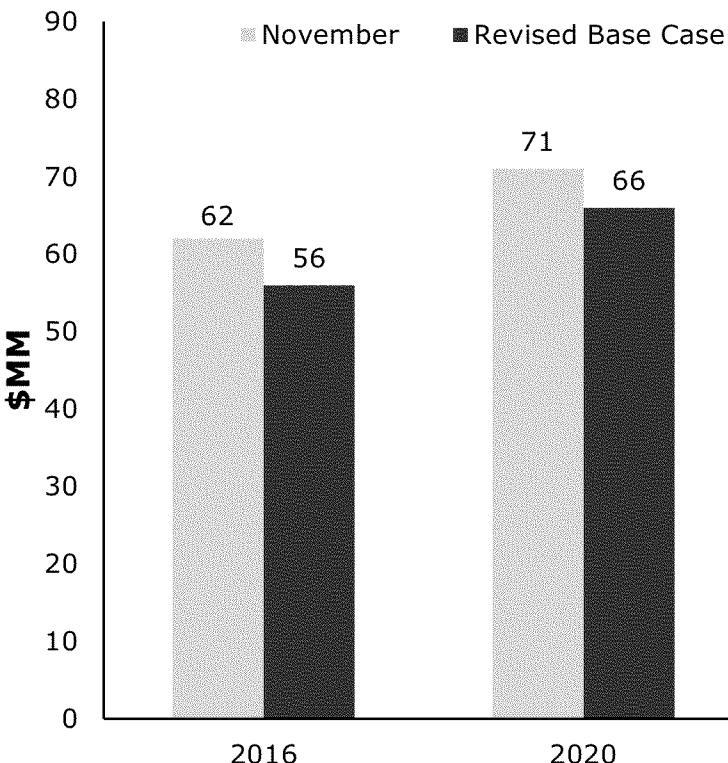
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Protecting base business and P&L optimization leads to significant improvement in OxyContin net sales (\$351MM) and contribution through 2020

OxyContin Financial Projections



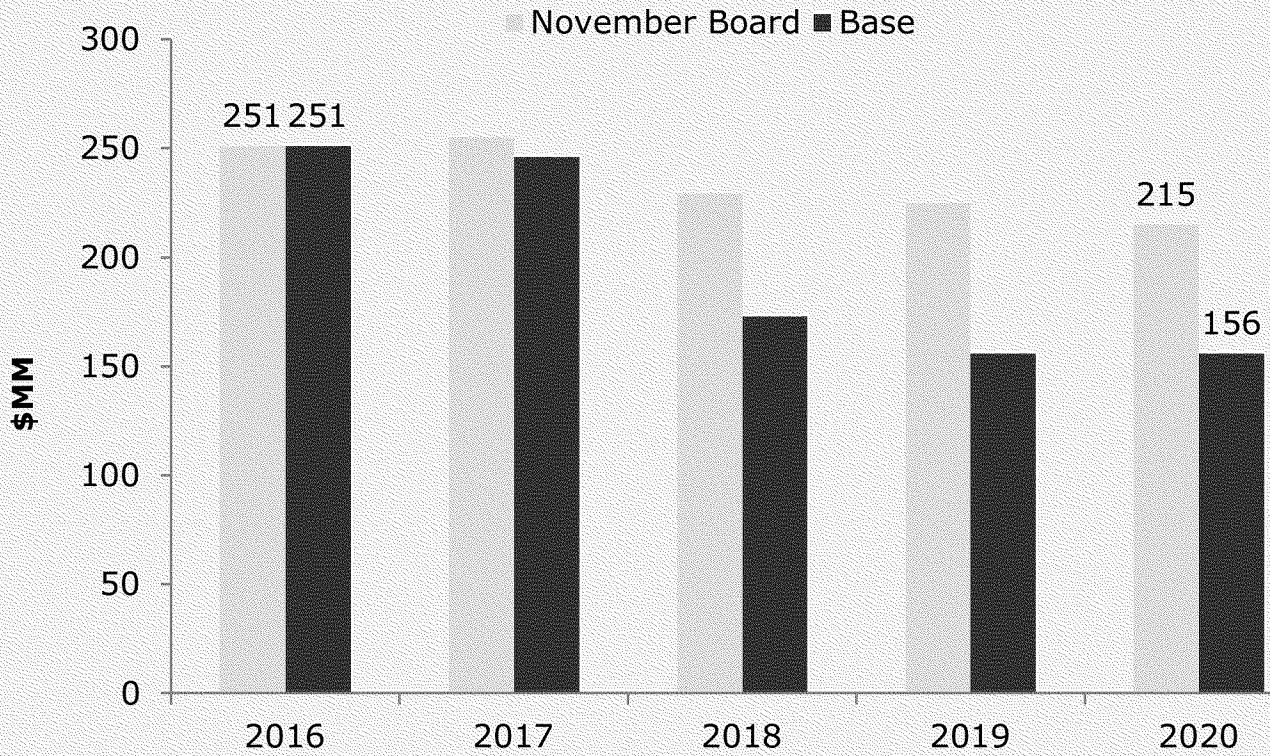
S&P Spend



Revised Promo Spend	\$20	\$15
Revised Sales FTEs	122	140

While total net sales are projected to decrease by \$97MM, we have reduced S&P by \$193MM to improve our bottom line

Revised Portfolio S&P Spend



	2016	2017	2018	2019	2020	Average
S&P % Net Sales (Revised)	19.9%	18.6%	14.6%	13.3%	13.6%	16.0%
Variance (vs. Nov. Board)	-0.7%	-1.5%	-4.2%	-5.1%	-3.5%	-3.0%

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In summary, Despite decline in net sales, the in-line pain portfolio bottom line still remains healthy

- We have **evolved our brand strategies** in order **to mitigate impact** due to new events
- Our strategies will improve in-line product contribution by a **reduction of \$193MM in S&P spending** to offset the decline in net sales of \$97MM in the next 5 years 2016-2020

2016 Mid-year Agenda

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June 8, 2016

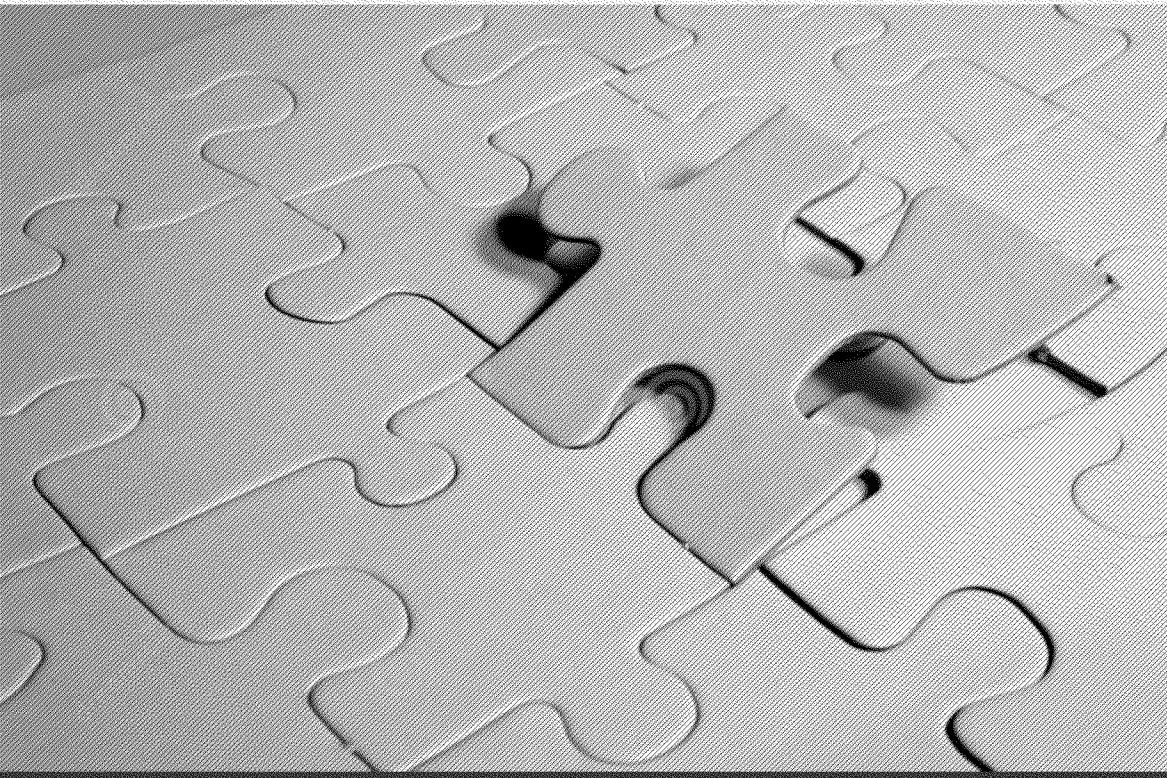
▪ Strategic overview	Mark Timney	25 minutes
▪ Evolving US Environment	Raul Damas	20 minutes
▪ US Pain Portfolio Strategy	Saeed Motahari	45 minutes
▪ Medical Strategy	Gail Cawkwell	10 minutes
▪ OTC Strategy	Saeed Motahari	15 minutes
▪ BD priorities	Alan Butcher	10 minutes
▪ R&D Vision & Pipeline	Alan Dunton	30 minutes
▪ Financial outlook	JJ Charhon	25 minutes



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Medical Strategy

Gail Cawkwell

June 8, 2016

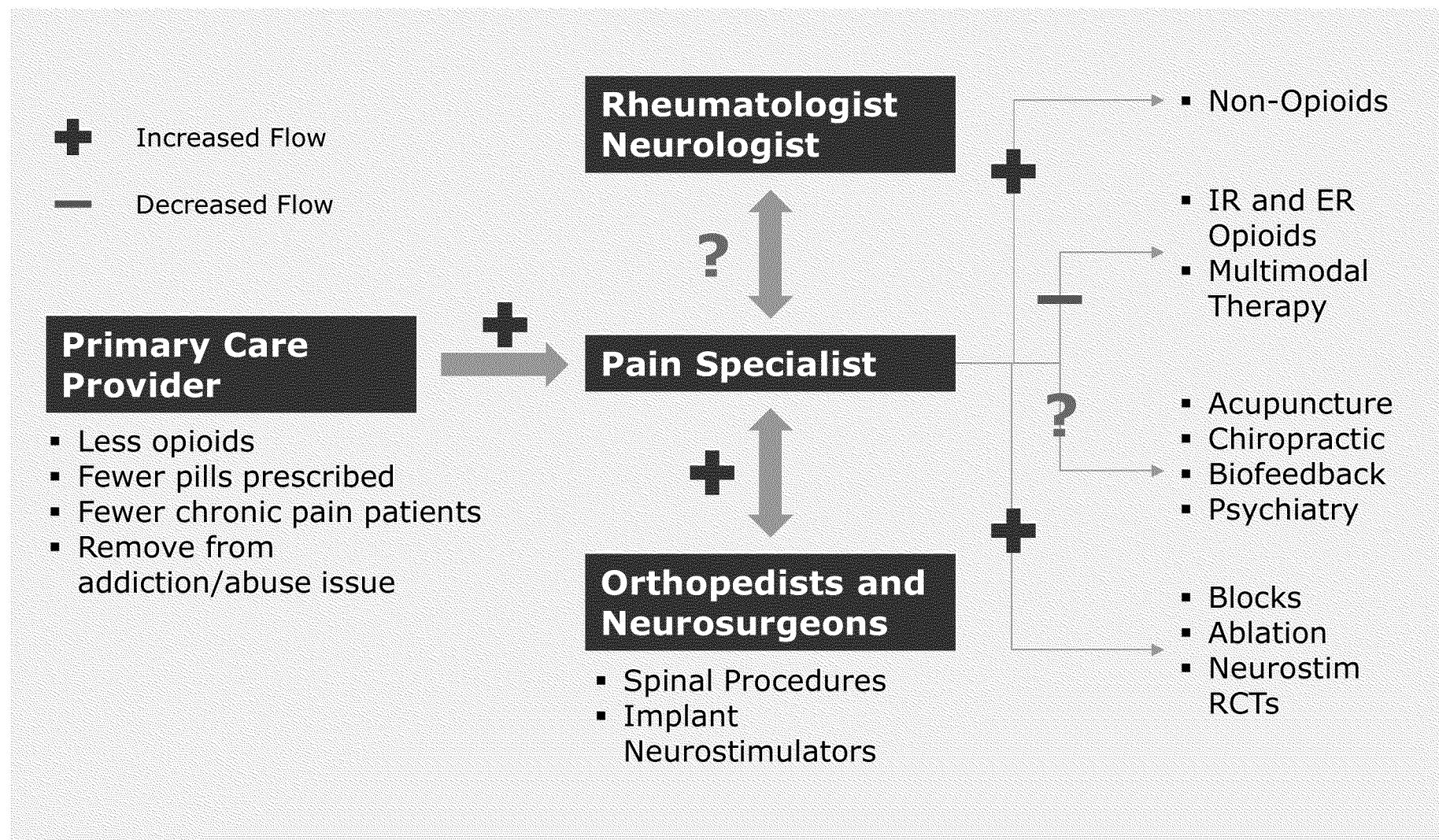
Purdue Medical Affairs

Transforming Science into Value

- Medical affairs links **customer insights** to **medical actions** that impact Purdue's marketed medicines and pipeline assets
- Challenging and **changing US healthcare environment**, especially around pain management and opioids
- **Accurate data for robust decision-making** is more important than ever
- **Innovative approaches** are critical to have an impact

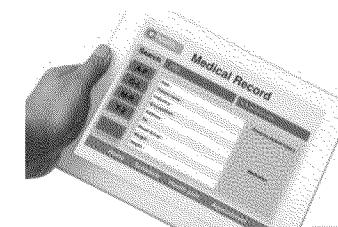
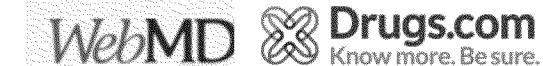
Medical Affairs strives to be trusted medical and scientific experts on our medicines, demonstrating value with medical decision makers through research, collaboration, and communications that support quality care, value and improved health outcomes for patients and customers.

Challenging and Changing US Healthcare Environment: Assessing Opportunities for Purdue



Examples of Current Projects

- Proactive Compendia Review Projects
 - Ensure medical online resources have accurate and current information
- Electronic Health Record Systems Review and Outreach
 - Reviewing and updating EHR drug pick lists so that OxyContin and Hysingla ER have ADP designation



Redacted

- Multichannel Customer Communication Offerings:
 - AskMedicalServices.com for HCPs and Patients to communicate on demand regarding Purdue Products

